



RESOLUTION NO. 2013-029

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FARMERS BRANCH, TEXAS, AUTHORIZING THE NEGOTIATION AND EXECUTION OF AN AGREEMENT WITH METRO STUDY, A HANLEY WOOD COMPANY, FOR DEVELOPMENT OF A RESIDENTIAL DEVELOPMENT PROGRAM MANAGEMENT; AUTHORIZING EXPENDITURES FOR PHASE I OF SAID AGREEMENT; AND PROVIDING AN EFFECTIVE

WHEREAS, over the course of several years, the City Council has approved and implemented as part of the City's Economic Development Program a variety of residential re-development and revitalization incentive and grant programs to encourage the redevelopment of the City's aging housing stock; and

WHEREAS, pursuant to City Council direction, City Administration has sought and obtained a proposal for professional services from Metro Study, a Hanley Wood Company, to assist in the development of a residential development program management strategy in order to allow the City to more effectively identify the types of re-development programs that effective in the current and future real estate market and the neighborhoods where resources from such programs would be best directed; and

WHEREAS, the City Council of the City of Farmers Branch finds it to be in the public interest to authorize the negotiation and execution of an agreement to obtain the above referenced services:

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FARMERS BRANCH, TEXAS THAT:

SECTION 1. The City Manager is hereby authorized to negotiate and sign, on behalf of the City, an agreement with Metro Study, a Hanley Wood Company ("Metro Study"), relating to the preparation of a Residential Development Program Management strategy, which agreement shall be substantially consistent with the proposal attached hereto as Exhibit "A" and incorporated herein by reference.

SECTION 2. Notwithstanding Section 1, above, the City Manager shall only be authorized to authorize Metro Study to perform the services related to Phase I, as described in Exhibit "A" hereto, for an amount not to exceed \$89,500.00.

SECTION 3. This resolution shall become effective immediately upon its approval.

**PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF FARMERS
BRANCH, TEXAS, THIS 7TH DAY OF MAY, 2013.**

ATTEST:

APPROVED:

Angela Kelly, City Secretary

William P. Glancy, Mayor

APPROVED AS TO FORM:

Peter G. Smith, City Attorney
(kbl:5/3/13:60501)

Resolution No. 2013-029
Exhibit "A"

City of Farmers Branch
April 30, 2013

Contract  **hanleywood**

metrostudy
A hanleywood Company
Proposal for:
The City of Farmers Branch



Date: April 30, 2013

Prepared for: **John Land**
The City of Farmers Branch
13000 William Dodson Parkway
Farmers Branch, TX 75234

Prepared by: **David Brown**
Regional Director
Metrostudy

Metrostudy a Hanley Wood Company
7557 Rambler Road, Suite 430
Dallas, TX 75231
(214) 891-5602 Direct

www.metrostudy.com



Residential Development Program Management Proposal
Metrostudy a Hanley Wood company

Dear John:

I sincerely appreciate having an opportunity to work with you on developing a strategic plan to strengthen the residential foundation of the City of Farmers Branch (the City). After hearing your ideas and goals for structured growth, I am confident that we have all the data, expertise, resources, and knowledge at the local and national level necessary for the City to reach its goal of solid growth in this and the next generation for all the citizens of Farmers Branch. I believe the Residential Development Program Management relationship that we are proposing will be a significant component, not only to a sound residential market, but also to all aspects of growth including retail, schools, city services and overall tax base strength. A strong and growing residential zone is the foundation of all urban planning.

I. Background & Objectives

Efforts to manage a significant revitalization of the Planned Developments in the City have ebbed and flowed over the previous decades. As leadership comes in and out, this effort has moved up and down the priority list. It is becoming clear that a highly strategic plan needs to be established and based on experience, data and current urban planning technology that are focused on very specific goals. By engaging Metrostudy to provide the Residential Development Program Management, the City will have the tools to achieve both its long and short term development goals as set out below:

Area Builders will:

- Understand the City's targeted lots are a good opportunity
- Have the information to assist in their financing
- See they will have minimum red tape during the teardown, construction and selling phase
- Have the assistance of the City's marketing efforts for the revitalized areas so the new homes can sell faster
- Understand the potential for home prices to increase as the revitalization gains momentum.

The City will:

- Have insight in to each neighborhood's redevelopment potential and a plan to execute
- Understand the City's Investment vs. future tax base growth
- Receive periodic market and development updates
- Have access to development proposal evaluations
- Have insight in to Home product trends



- Receive consumer segmentation characteristics for each of their residences
- Builder and consumer statistical marketing support
- Evaluation of the City's Parks & Recreation facilities relative to comparison cities.

Significant Action Item Deliverables:

- Evaluation of the City in comparison to competitive cities
- Evaluation of the City's neighborhoods identifying the best rebuild and remodeling candidates
- Evaluation of the City's internal development process
- Market reports on three neighborhoods to support building opportunities
- Redevelopment plan for identified neighborhoods
- Assistance in planning a builder Parade of Homes
- Quarterly private update of local housing market
- Invitation to meet quarterly with local developers and builders at the Metrostudy Quarterly Updates
- Evaluation of a developer proposal such as the Mercer Crossing proposal

II. Solution Summary

Phase I

1. Externally Competitive Evaluation Analysis

The Externally Competitive Evaluation Analysis will set the baseline for how the City compares to five area cities with respect to what it offers developers, builders and consumers. The data will be used to identify strengths and potential areas of improvement to maximize the attractiveness of the City. Results of this analysis can be used by the City to market to builders, developers and consumers. Below is a list of some of the categories that we will assess and compare against competing cities and developments as data is available:

- | | |
|---------------------------|------------------------|
| ▪ Consumers | ○ Transportation |
| ▪ Land values | ▪ Services |
| ▪ House values | ○ Schools |
| ▪ Location to key targets | ○ Police |
| ○ Jobs | ○ Fire |
| ○ Shopping | ○ Medical |
| ○ Events | ○ Retail |
| ○ Transportation | ○ Dining |
| ○ Etc. | ○ Etc. |
| ▪ Infrastructure | ▪ Cost of Living Items |
| ○ Parks | ▪ Taxes |
| ○ Trails | |



- Development and Building Fees
- Economic Conditions
- Households
- Employment
- Population
- Real Estate Markets

2. Internal Evaluation Analysis

Neighborhood by neighborhood we will analyze the character of up to ten planned redevelopment areas. This analysis will serve to establish a baseline and strategically prioritize which areas are ideal candidates for buy back lots, remodeling project incentives, adding of urban improvement features or other ideas to improve the value of each house, block and neighborhood. We will evaluate:

- House Condition
- Land values
- House values
- Consumers Segmentation Profile
- Demographic Household Profile
 - Age
 - Education
 - Ethnic Group
 - Household Size
 - Income
 - Labor Force
 - Marital Status
 - Occupation
 - Transportation
 - Travel Time
 - Unit Structure
 - Year Built
 - Vehicles
 - Occupancy
 - Neighborhood Summary Snap Shot
 - Neighborhood Summary Trends
- Adjacent property characteristics
- Recent Sales and Trends

3. Internal Development Process Assessment

It is crucial that the builders and developers have a positive experience and opinion of the way the City works with them throughout the process. We will conduct interviews with the city offices that interact with builders and developers and then compare the City's processes, times to other cities that are considered builder friendly. We will also add direct feedback from builders and developers regarding their interactions with other cities. This report will highlight how the City is viewed by area builders and developers and identify specific actions that could improve any process as warranted.



4. Multi-Year Redevelopment Plan

We will consolidate our research, council feedback, the collective goals and proposed action items to reach and maintain the City's stated goals into a multi-year plan. This plan will include the magnitude of the opportunity, investment requirement, expected returns, events and dates. The plan will be updated once during the year by the Retained Residential Development Program Manager.

5. Neighborhood Parade Planning

After we are armed with the strong research, a multiyear plan, suggested product features and market opportunity packages for the specific planned redevelopment areas in the City, it will then be time to get the word out. We will assist in sourcing ideal builders and developers, then using a combination of email and phone calls to invite them to the Neighborhood Parade. We will use our databases to filter all the builders that have done similar in-fill projects during the last 36 to 48 months in the surrounding areas. From there the City will hold the event and coordinate the tours of the focus areas.

Phase II

6. Market Opportunity Packages For Builders

We will develop for the City a customized market opportunity report for each of the three distinct areas based on their unique characteristics. These reports will have the necessary research and forecasted data to assist a builder in their loan application process with a lending institution. These reports can be provided by the City to potential builders or in conjunction with a Builder Parade of Homes. While some of the larger builders have the ability to produce the reports internally, the medium to small builders may not be able to access this level of data.

7. Home Floor Plan Trends

In order to insure that new housing will be attractive to homebuyers and meet the needs of the prominent consumer types expected to move into these homes, it is important that insightful information is readily available. We will analyze the trends in builder product that the expected consumers are buying locally and nationally.

8. Retained Residential Development Program

The Retained Residential Development Program will ensure that all the initial research and plans will be properly interpreted and implemented for years to come. This outsourced service is crucial toward the success of



achieving the stated goals of the City. Below is a highlight of some of the tasks that will be performed during the initial year of the project:

- Metrostudy will provide access to Metrostudy's proprietary Quarterly Residential Online Data base.
 - This includes access to the Metrosearch Online software for four quarters (1Q13-4Q13).
 - Private Quarterly Briefings to the City Council
- Review of the assumptions of one proposed developer project within the City.
 - Metrostudy will review the assumptions laid out by the developer and provide commentary as to their appropriateness based on current market conditions.
 - This information will then be composed into a brief report highlighting Metrostudy's opinions on the developer's assumptions.
- One Update to the three Investment Packages for Builders developed during Phase 1.

9. Mailing Lists of Targeted Local Consumers That are Likely to Move

We will be able to conduct a targeted mailing campaign to ideal consumer segments showing a high propensity for buying) the homes that will be built in the revitalized lots.

List Size	CPM Price	
	1X Usage	Unlimited One Year Usage
1,000 – 15,000 Names	\$95	\$155
15,000 – 25,000 Names	\$88	\$148
25,000 + Names	\$80	\$140

Filtering —includes the ability to filter utilizing Claritas PRIZM NE* homeowner segments

10. Digital Marketing Campaign of Targeted Local Consumers That are Likely to Move

Using Hanley Wood consumer profiles, unique customer segmentation, and geo-locations Hanley Wood will be able to offer clients the ability to target their ideal consumers using banner ads.



III. Scope of Service, Conditions, and Fee Structure

Phase I

1. Externally Competitive Evaluation Analysis	
Total Initial price for this section =	\$20,000
2. Internal Evaluation Analysis	
Total Initial price for this section =	\$39,950
3. Internal Development Process Assessment	
Total Initial price for this section =	\$7,500
4. Multi Year Plan Development	
Total Initial price for this section =	\$8,500
5. Neighborhood Parade Planning	
Total Initial price for this section =	\$13,550

Phase II

6. Investment Packages For Builders (Addition packages \$2,500)	
Total Initial price for this section =	\$7,500
7. Home Floor Plan Trending	
Total Initial price for this section =	\$2,500
8. Retained Residential Development Program	
Total Annual price for this section =	\$19,000
9. Mailing Lists of Targeted Local Consumers that are Likely to Move	
Total price for this section =	TBD
10. Digital Marketing Campaign of Targeted Local Consumers that are Likely to Move	
Total price for this section =	TBD

Totals

Total Price for Phase I Sections =	\$89,500
Total Price for Phase II Sections =	\$29,000
Total Price for Phase I & II Sections =	\$118,500
TOTAL INITIAL ANNUAL INVESTMENT =	\$118,500

IV. Product Delivery and Training

We will begin working on this project upon acceptance of this proposal and received retainer payment in the amount of \$44,750. The remainder of the phase I fee will be paid in 90 days. We will collaborate with City personnel to craft an appropriate delivery time table. Online or in person training will be available and included in this proposal.



V. Annual Renewal Fees

The above proposal will set baselines, maintain the active Residential Development Program Management for a full year, provide direction on many key goal oriented metrics and set a course of action to achieve these goals. To maintain Residential Development Program Management, monitor the progress on the key goal oriented metrics and insure that we are still on course to achieve these goals, we will need to stay engaged with the city. The City will have the ability to customize the services under an annually renewable Residential Development Program Management agreement. The cost for each component is outlined below.

Residential Development Program Management agreement includes:

- Access to Metrostudy's proprietary Residential Online Data base, access to market wide Quarterly Briefing with other industry members, and quarterly briefing on the city's development progress **\$25,000**

- Review of the assumptions of a proposed developer project
 - Metrostudy will review the assumptions laid out by the developer and provide commentary as to their appropriateness based on current market conditions

 - This information will then be composed into a brief report highlighting Metrostudy's opinions on the developer's assumptions..... **\$4,500**

- Semi-annual updates to the three Market Opportunity Packages for Builders..... **\$15,000**

The annual discounted price if all are selected **\$40,000**

VI. Terms and Conditions

The proposed final investment is subject to applicable tax, shipping and handling. Any amount unpaid 30 days after the invoice date will be assessed a monthly finance charge at the rate of 1.5% per month. The total investment rate is due upon product delivery. Additional ASSUMPTIONS AND LIMITING CONDITIONS are also contained in the attached.



VII. Assumptions and Limiting Conditions

The following contingencies and limiting conditions are noted as fundamental assumptions that may affect the validity of the analysis and conclusions reached in the proposed report:

- All information contained in this report, while based upon information obtained from the client and other sources deemed to be reliable, is in no way warranted by Metrostudy.
- The Dallas/Fort Worth Metroplex, State of Texas, and the nation as a whole will not suffer any major economic shock during the time period of the forecast contained in this report.
- Population will continue to increase at or above Metrostudy's forecasted rate.
- The basic sources of statistical data and estimates used in this analysis are sufficiently accurate to be useful for planning purposes.
- The recommendations set forth in this report will be acted upon within a reasonable period of time to preclude major changes in the conditions evaluated.

Radical changes in factors affecting the major assumptions noted above could alter the conclusions reached in this analysis or necessitate the re-evaluation of portions of this report.

VIII. Conclusion

Upon your review and approval, please sign this page and initial Attachment I, attached. ***Then please email to my address below.***

Thank you for giving us the opportunity to earn your business and we look forward to speaking with you later this week.